

WHAT IS CLAIMED IS:

1 1. A system for effecting the deposit, settlement and submission into a payment system
2 for collection of funds represented by financial instruments drawn on different institutions that are
3 received by a payee at a first location, said first location determined by the payee remote from the
4 payee's collecting and clearing bank, comprising:

5 a sorter at said first location established by the payee (1) for receiving the financial
6 instruments and (2) for sorting the instruments according to predetermined sort
7 pattern categories determined by the collecting and clearing bank;

8 a printer at said first location for applying to the instruments at a time before, during
9 or after sorting of the instruments, a separate indorsement on behalf of each of the
10 payee and the collecting and clearing bank with respect to each instrument received;

11 the sorter further assembling the sorted instruments with the applied indorsements
12 into discrete groups with respect to the predetermined sort pattern categories;

13 a means at the first location for preparing one or more cash letters associated with
14 each assembled group of instruments;

15 a communication link between the first location and the collecting and clearing bank
16 for reporting to the bank information in the cash letters in anticipation of a deposit
17 of funds in the payee's account at the payee's collecting and clearing bank
18 corresponding to the value of the one or more cash letters;

19 transport means for delivering the groups of instruments and the one or more cash
20 letters from the first location to a second location for receipt into the payment system
21 according to parameters determined by the payee's collecting and clearing bank; and

22 a central processing unit and communication link providing a coordination between
23 the payee and the payee's collecting and clearing bank which predetermines the
24 timing and monitors the transport of the sorted instruments and the cash letters
25 associated therewith and coordinates the recordation of the deposit of the funds
26 represented by the instruments with the collecting and clearing bank in a sequence
27 coordinated with the timing of a settlement of accounts in the check payment system.

1 2. The system of claim 1 in which the instrument is a check having an MICR line, and
2 including a printer for further applying information representing the check amount to the MICR line.

1 3. The system of claim 1 in which the collecting and clearing bank is the bank of first
2 deposit for the payee.

1 4. The system of claim 2 in which the collecting and clearing bank is the bank of first
2 deposit for the payee.

1 5. A process for effecting the deposit, settlement and submission into a payment system
2 for collection of funds represented by financial instruments drawn on different institutions and
3 payable to a same payee that are received at a first location remote from the payee's collecting and
4 clearing bank, comprising

5 receiving the financial instruments at said first location;

6 sorting the instruments according to predetermined sort pattern categories determined
7 by the payee's collecting and clearing bank;

8 applying to the instruments at said first location separate indorsements on behalf of
9 each of the payee and the collecting and clearing bank with respect to each
10 instrument received;

11 assembling at said first location the sorted instruments into discrete groups with
12 respect to the predetermined sort pattern categories corresponding to cash letter
13 specifications determined by the payee's collecting and clearing bank;

14 preparing at said first location one or more cash letters associated with each
15 assembled group of instruments;

16 reporting to the collecting and clearing bank information contained in the cash letters
17 in anticipation of a deposit in the payee's account at the collecting and clearing bank
18 corresponding to the value of the cash letter;

19 delivering the assembled groups of instruments and the one or more cash letters
20 associated therewith from the first location to a second location where they are
21 submitted into the check payment system according to timing and location
22 parameters determined by the collecting and clearing bank; and

23 coordinating the recordation of the deposit of funds represented by the instruments
24 with the collecting and clearing bank in a sequence coordinated with the timing of
25 a settlement of the collecting and clearing bank's account in the check payment
26 system.

15

1 6. The process of claim 5 in which the instrument is a check having an MICR line, and
2 including applying information representing the check amount to the MICR line.

1 7. The process of claim 5 in which the collecting and clearing bank is the bank of first
2 deposit for the payee.

1 8. The process of claim 6 in which the collecting and clearing bank is the bank of first
2 deposit for the payee.

1 9. The system of claim 1 including a means for verifying the information in the cash
2 letters prior to the settlement of accounts.

1 10. The process of claim 5 including verifying information in the cash letters prior to the
2 settlement of accounts.

1 11. A system for effecting the deposit, settlement and submission into a payment system
2 for collection of funds represented by financial instruments drawn on different institutions that are
3 received by different payees and submitted to a bank of first deposit for submission into a check
4 payment system on behalf of a bank of subsequent deposit comprising:

5 a sorter at a first location (1) for receiving the financial instruments from one or more
6 banks of first deposit and payees and (2) for sorting the instruments according to
7 predetermined sort pattern categories determined by the bank of subsequent deposit
8 for collecting and clearing;

9 a means at said first location for applying separate indorsements to the instruments
10 on behalf of each of the one or more banks of first deposit and payees, and the bank
11 of subsequent deposit with respect to each instrument received;

12 the sorter further assembling the sorted instruments into discrete groups with respect
13 to the predetermined sort pattern categories;

14 a means for preparing one or more cash letters associated with each assembled group
15 of sorted instruments;

16 a communication link between the first location and the one or more banks of first
17 deposit and the payee, and the bank of subsequent deposit for reporting to the
18 respective banks and payee information in the cash letters in anticipation of a deposit
19 in the bank of first deposit and payee's account at the bank of subsequent deposit
20 corresponding to the value of the cash letter;

21 transport means for delivering the groups of instruments and the one or more cash
22 letters from the first location to a second location for introduction into the payment
23 system according to parameters determined by the bank of subsequent deposit; and

24 a control unit interconnecting the banks and predetermining the timing and
25 monitoring the transport of the sorted instruments so as to coordinate the recordation
26 of the deposit of the funds represented by the instruments in the account with the
27 collecting and clearing bank in a sequence coordinated with the timing of settlement
28 in the check payment system.

1 12. The system of claim 11 in which the instrument is a check having an MICR line, and
2 including a printer for further applying information representing the check amount to the MICR line.

1 13. The system of claim 11 including a means for verifying the information in the cash
2 letters prior to the settlement of accounts.

1 14. A process for effecting the deposit, settlement and submission into a payment system
2 for collection of funds represented by financial instruments drawn on different institutions that are
3 received by different payees and submitted to a bank of first deposit for submission into a check
4 payment system on behalf of a bank of subsequent deposit comprising:

5 receiving the financial instruments at a first location;

6 sorting the instruments at said first location according to predetermined sort pattern
7 categories determined by the bank of subsequent deposit for collecting and clearing
8 bank;

9 applying separate indorsements to the instruments at said first location on behalf of
10 each of the bank of first deposit and the bank of subsequent deposit with respect to
11 each instrument received;

12 assembling the sorted instruments into discrete groups with respect to the
13 predetermined sort pattern categories;

14 preparing one or more cash letters associated with each assembled group of
15 instruments;

18

16 reporting to the respective banks information in the cash letters in anticipation of a
17 deposit of funds in the payee's account at the bank of subsequent deposit
18 corresponding to the value of the cash letters;

19 delivering the groups of instruments and the one or more cash letters from the first
20 location into the payment system according to parameters determined by the bank of
21 subsequent deposit; and

22 coordinating the deposit of funds represented by the instruments with the accounts
23 of the respective banks and payees at the collecting and clearing bank in a sequence
24 coordinated with the timing of a settlement in the check payment system.

1 15. The process of claim 14 in which the instrument is a check having an MICR line, and
2 including a printer for further applying information representing the check amount to the MICR line.

1 16. The process of claim 14 including verifying information in the cash letters prior to
2 the settlement of accounts.

19